

FILED
2/20/2024

GMM

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,
Plaintiff,
-vs-
EQUITYBUILD, INC., EQUITYBUILD
FINANCE, LLC, JEROME H. COHEN,
And SHAUN D. COHEN
Defendants.

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)
) Civil Action No. 1:18-cv-
)
) Hon. Manish S. Shah
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)
)
)

**THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT**

**PAUL HARRISON REQUEST TO RE-INSTATE CLAIM FOR GROUP 2
PROPERTY 5450-52 SOUTH INDIANA AVENUE**

I Paul Harrison State as Follows:

1. That I would like to thank the Court for taking the time to consider this late request.
2. That I am acting on a Pro-se basis to re-claim a first lien priority on the Group 2 Property #4 known as 5450-52 South Indiana Avenue.

SUMMARY

1. On 5/10/2023 I withdrew my June 2019 claim made to the Receiver against the Group 2 Property #4 known as 5450 South Indiana Avenue (Claim No. 4-2026) . My decision was based on the erroneous assumption that my mortgage security interest in this property was voided by a competing mortgage claim on the same property dated one day earlier than my own.
2. I subsequently learned from the Receiver's Submission on Group 2 Claims (Docket 1571) that the Receiver had recommended the Investor-Lender Group of which I had been a part be given lien priority to their investment in 5450-52 South Indiana Ave. On this basis I now wish to re-instate my original claim to Property #4 5450-52 South Indiana Avenue (Claim No. 4-2026) alongside the other Investor-Lenders in this property.

ARGUMENT – FACTS AND EVIDENCE

1. In June 2019 I filed a claim with the Receiver for Group 2 Property #4 5450-52 South Indiana Avenue for USD 43,098. This represented a 1.41 % share in a Promissory Note (PN) for the amount of USD 3,050,000 issued on 3/31/2017 by 5450 S. Indiana LLC, an entity managed by Jerry Cohen from Equity Build. This Promissory Note was secured by a mortgage on 5450-52 South Indiana Ave. and was issued to a group of investor lenders of which I was a part. This PN and mortgage were recorded with the Cook County Recorder's Office on 6/23/2017 which I have included as **Exhibit 1**.

2. Following the Receiver's sale on 4/8/20 of 5450-52 South Indiana Avenue (See Docket 690 at page 273) I was alerted to a competing claim for these sale proceeds (See Docket 690 Item 35a. at pages 10-13). I have included Docket 690 as **Exhibit 2**.
3. After being so alerted I accessed the Cook County Recorder's database and discovered this competing claim to 5450-52 S Indiana Ave. I found that the same Jerry Cohen – controlled entity – 5450 S Indiana LLC- which had issued the USD 3,050,000 mortgage-secured PN to me and my fellow investor-lenders on 3/31/2017 (Point 1 above) had also issued another mortgage against 5450-52 S Indiana Ave. This mortgage was dated one day earlier – 3/30/2017 - for the amount of USD 3,600,000. The beneficiaries of this mortgage were a group on investors associated with Shatar Capital Partners.
4. This prompted me to assume – I realize now erroneously – that it would have been futile for me to pursue my claim to 5450-52 S Indiana Ave because of what appeared to me to be a superior competing claim to a mortgage on the same property due to its being issued one day earlier than my own.
5. Since 2018 I have had limited financial resources to pay for legal fees due to the loss of investment income from Group 2 Property 5450-52 S Indiana Ave. as well as from investments in other promissory notes issued by Equity Build during the period 2015 to 2017. My remaining claims on these properties –totaling some USD 300,000- have been assigned by the Receiver to Group 8. On this basis I decided to conserve my limited financial resources to focus on my claim to these Group 8 properties. I therefore notified the Receiver on 5/10/2023 that I wished to withdraw my claim on 5450-52 S Indiana Ave.
6. Following the Receiver's Submission on Group 2 Claims dated 12/20/2023 (Docket 1571) I was made aware that the Receiver had recommended that the Court dismiss the competing claim of Shatar Capital Partners to a security interest in 5450-52 S. Indiana Ave. The Receiver instead recommended to the Court that lien priority be given to the mortgage held by the group of Investor-Investors in 5450-52 S. Indiana Ave. of which I had earlier been a part prior to my withdrawal of claim. (See Docket 1571 at pages 4-8). I have included Docket 1571 as **EXHIBIT 3**.
7. I therefore ask the Court to re-instate my Claim (No. 4-2026) to the distribution of proceeds from the sale of 5450-52 S. Indiana Ave alongside the other Investor Lenders in this property (See Docket 1571 at Pages 27-28) shown in **EXHIBIT 3**.

8. I further ask the Court that the maximum amount of my original claim of USD 43,098 (a 1.41 % share of the PN secured by the mortgage on 5450-52 South Indiana Ave.) be reduced by some USD 3,448 being the total monthly interest payouts on this PN made to me by Equity Build during the period 11/2017- 05/2018 prior to the initiation of the receivership in August 2018.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

DATED FEBRUARY 20 TH 2024

PAUL HARRISON
99/62 SIVALEE AVENUE 5
CHIANG MAI 50130 KINGDOM OF THAILAND
EMAIL: JPFIN@ RUNBOX.COM